

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE REVIEW OF)
CUSTOMER CHOICE IN THE STATE OF) PSC DOCKET NO. 15-1693
DELAWARE)
(FILED DECEMBER 23, 2015))

ORDER NO. 8845

AND NOW, this 19th day of January 2016, the Delaware Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on December 14, 2015, the Electricity Affordability Committee ("EAC"), a committee set up by the General Assembly to examine the structural aspects of energy supplier choice in Delaware and investigate ways to enhance the viability of and improve participation in customer choice, petitioned the Commission seeking review and implementation of various recommendations to enhance customer choice in Delaware; and

WHEREAS, after two (2) workshops held on October 22 and October 29, 2015 used to identify issues and to suggest possible solutions to help enhance customer choice in Delaware, the EAC developed eight (8) recommendations that it believed would help customer choice in Delaware, which are:

a. Adopt a Purchase of Receivables ("POR") approach for third-party suppliers whereby Delmarva Power & Light Company ("Delmarva Power") purchases the receivables at a discounted price that includes the administrative cost of the program and whereby Delmarva assumes supplier bill collection responsibility. This is currently taking

place in Pepco Holdings Inc.'s other state jurisdictions and could be done in Delaware.

b. Enhance Delmarva Power's customer bills to add additional space for third-party suppliers to provide their customers with information specific to their current supplier.

c. Modify Delmarva Power's current practice of requiring new customers to take the Standard Offer Service for at least one month prior to selecting another supplier. Suppliers believe that new customers in the Delmarva Power territory should be able to select any supplier at the time of their initial service request.

d. Modify Delmarva Power's current practice of requiring customers who are moving to locations within the Delmarva Power service territory to reinitialize their service by purchasing Standard Offer Service for at least one month before returning to their contracted supplier. Customers relocating within Delmarva Power's service territory and who have already selected a third-party supplier should be able to retain that supplier at their new location without having to reapply.

e. Establish a mechanism by which customers may enroll with a third-party supplier without the requirement to know their service account number or other numerical identifier. Customers should be able to use an existing identification such as a driver's license and service address to enroll with a third-party supplier, particularly when solicited at shopping malls or other public venues.

f. Continue the review of Delmarva Power's Standard Offer Procurement process and consider adopting shorter-term purchases for

the residential and small commercial customer segments. Suppliers believe that shorter supply contracts that track market prices more closely will improve supply cost competition in Delaware. The Commission has historically relied on three (3) year ladder contracts to stabilize and minimize energy cost volatility for residential and small commercial customers and should consider shorter terms, provided cost volatility is contained within reasonable limits.

g. Finalize Regulation Docket No. 49 ("Electric Supplier Rules") by incorporating recommended changes and simplifying supplier requirements where possible.

h. Establish an opportunity for quarterly or other term meetings with electric suppliers to help monitor the status of customer choice in Delaware and to provide a forum for discussion of key issues or other choice barriers; and

WHEREAS, the EAC requests that the Commission take action to implement those recommendations that it feels will enhance customer choice, lower energy supply costs consistent with the public interest, as well as examine options for increasing customer awareness and education in Delaware regarding these issues;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. That a docket shall be opened for the purpose of considering the EAC petition, which seeks implementation of its recommendations to enhance customer choice opportunities in Delaware.

2. That Mark Lawrence is designated as Hearing Examiner for this matter pursuant to the terms of 26 Del. C. §502 and 29 Del. C.

ch. 101 to schedule and conduct, upon due notice, such public comment sessions and evidentiary hearings, as may be necessary, to develop a complete record concerning whether the proposed recommendations are appropriate for implementation in Delaware in connection with enhancing customer electric choice. Thereafter, Mr. Lawrence shall file with the Commission his proposed findings and recommendations. Pursuant to Rule 1001.2.9 of the Commission's Rules of Practice and Procedure (26 Del. Admin. Code ch. 1001 et seq.), Mr. Lawrence is specifically delegated the authority to grant or deny petitions seeking leave to intervene. In addition, Mr. Lawrence is delegated the authority, under 26 Del. C. §102(A), to determine the form and manner of any further public notice in this matter.

3. The PSC Staff shall cause to be published in The News Journal newspaper, in two-column format outlined in black, a copy of the form of notice attached hereto as Exhibit "A". Such notice shall be published **on or before February 5, 2016**. Delmarva shall file proof of such publication with the Commission as soon as practicable, but no later than **March 20, 2016**. In addition, the PSC Staff shall cause a copy of the attached notice to be sent via electronic mail to each third-party energy supplier providing electric service in Delaware, as well as to all participants who participated in the two (2) previously held workshops in connection with the EAC petition. The PSC Staff shall thereafter file with the Commission, no later than March 20, 2016, a certification that such notice was sent, listing the names of the third-party energy suppliers receiving such notice.

4. The Commission's Secretary shall promptly serve a copy of this Order on the Division of the Public Advocate.

5. The deadline for filing petitions for leave to intervene pursuant to 26 *Del. Admin. C.* §1001-2.9 of the Commission's Rules of Practice and Procedure, **is March 20, 2016**. Late-filed petitions to intervene will not be granted unless good cause is shown. Pursuant to Rule 1000.6.4 of the Commission's Rules of Practice and Procedure, 26 *Del. Admin. C.* §1000.1.6.4, petitions for intervention should be filed using the DelaFile e-filing system, which can be accessed from the Commission's website at <http://depsec.delaware.gov>.

6. Interested persons may file comments, suggestions, and objections to EAC's proposed recommendations **on or before March 30, 2016**.

7. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

EXHIBIT "A"

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PUBLIC NOTICE

**TO: ALL ELECTRIC SUPPLIERS OF DELMARVA POWER & LIGHT COMPANY AND
OTHER INTERESTED PERSONS**

Pursuant to the responsibility assigned by the 147th General Assembly, Senate Substitute No. 1 for Senate Bill 160, FY2016 Bond and Capital Improvements Act of the State of Delaware, Section 68, the Electricity Affordability Committee ("EAC") submitted a petition (the "Petition") requesting the Public Service Commission (the "Commission") to review the Customer Choice recommendations contained in the EAC report and to implement those actions the Commission feels will enhance opportunity for customer choice in Delaware, help lower energy supply costs for electric customers and are in the public interest.

The proposed recommendations are included in the Petition, which can be found on the Commission's e-filing website at the following address: <http://delafile.delaware.gov/>.

The Commission has appointed Hearing Examiner Mark Lawrence to conduct public hearings as may be necessary or appropriate to develop a full and complete record concerning this matter, to be scheduled at a later date. The Commission's final decision will be based on the evidence presented at such hearings.

Interested persons may file comments, suggestions, and objections to Delmarva's proposed changes with the Commission **on or before March 30, 2016**. All such written comments, suggestions, and objections must be sent to:

Attn: PSC Docket No. 15-1693 Delaware
Public Service Commission 861 Silver
Lake Boulevard, Suite 100 Cannon
Building
Dover, Delaware 19904

Comments may also be filed at <https://delafile.delaware.gov>.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition requesting leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before March 20, 2016**. All such petitions should be sent to the Commission's address listed above. Petitions filed after the deadline of March 20, 2016, will not be considered except for good cause shown.

You are invited to review the Petition and supporting documents to determine how your interests may be affected. You

may review documents posted on the Commission's website at <http://depsec.delaware.gov/>. If you would like to review documents at the Commission's offices, please contact Donna Nickerson at donna.nickerson@state.de.us to arrange a time for your review. You may also review copies of EAC's Petition and supporting documents at the Division of the Public Advocate's Wilmington office located at the Carvel State Office Building, 4th Floor, 820 North French Street, Wilmington, Delaware 19801 or its Dover office located at 29 S. State Street, Dover, DE 19901. Please call the Wilmington Office at (302) 577- 5077 or the Dover office at 302-241-2555 to arrange for a time to review the documents at those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. This form may be found at <http://smu.portal.delaware.gov/cgi-bin/mail.php?foia-request&subj=DOS>. There is also a link to the Freedom of Information Act Request Form on the Commission's website at <https://delafile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 *Del. C. ch.* 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by

telephone (including text telephone), by Internet e-mail, or other means.

If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to psc@state.de.us, include "PSC Docket No. 15-1693" in the subject line.